DOCUMENT RESUME

ED 378 905 HE 028 056

TITLE	Ten Public Policy Issues for Higher Education in 1995. AGB Public Policy Series No. 95-1.
INSTITUTION	Association of Governing Boards of Universities and Colleges, Washington, D.C.
SPONS AGENCY	Teachers Insurance and Annuity Association, New York, NY. College Retirement Equities Fund.
PUB DATE	95
NOTE	28p.; For the 1994 report, see ED 366 236.
AVAILABLE FROM	Association of Governing Boards of Universities and Colleges, One Dupont Circle, Suite 400, Washington, DC 20036 ($4.95).
PUB TYPE	Viewpoints (Opinion/Position Papers, Essays, etc.) (120)
EDRS PRICE	MF01/PC02 Plus Postage.
DESCRIPTORS	Access to Education; Accreditation (Institutions); *Educational Policy; Educational Technology; Federal Aid; Federal Government; Federal Regulation; Financial Support; *Higher Education; Productivity; *Public Policy; School Restructuring; State Government; Student Loan Programs; Taxes; Trend Analysis; Vocational Education

ABSTRACT

A group of higher education policy experts identified the most pressing federal and state public policy developments likely to be debated in 1995. This report discusses the 10 issues identified: (1) student loan changes; (2) restricted taxpayer support; (3) tax policies; (4) federal support for research and other programs; (5) State Postsecondary Review Entities and other regulatory requirements; (6) accreditation reform; (7) access and diversity; (8) work force preparation; (9) productivity and restructuring; and (10) cost and availability of technology. Discussion of each issue is limited to two pages and includes recommendations for further reading. To make the document convenient to use, an "at a glance" box contains a synopsis of each issue. An introduction compares the 1995 issues to the issues that appeared in the 1994 version of the report. (Contains 24 references.) (JDD)

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ED 378 905

Association of Governing Boards
of Universities and Colleges

Ten Public Policy Issues for Higher Education in 1995

AGB PUBLIC POLICY SERIES No. 95-1

HE028 056

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Association of Governing Boards
of Universities and Colleges
One Dupont Circle • Suite 400
Washington, D.C. 20036
Tel: 202 / 296-8400 Fax: 202 / 223-7053

Introduction

For the second consecutive year, AGB convened a distinguished group of higher education policy experts to consider which issues are likely to have the most powerful effects on higher education. Our purpose is to provide trustees, presidents, senior administrators, and elected officials with a clear understanding of the most pressing federal and state public-policy developments likely to be debated in the coming year.

Although we would like to take credit for our prescience when we decided to publish "Ten Public Policy Issues for Higher Education" again this year, no one involved in this project realized just how significant 1995 would be in terms of public policy. Much has changed in the past year. Most momentous, of course, were the elections of 1994. Both houses of Congress have shifted to Republican majorities, a change unprecedented in more than a generation, and the GOP now controls the governorship in 30 states, up from 18 before the November elections. The makeup of state legislatures changed as well, with more than one dozen chambers changing party leadership and hundreds of new members from both parties taking office.

The legislative, executive, and regulatory decisions resulting from the 1994 elections could have powerful effects on public and independent colleges and universities. The 104th Congress has an ambitious and unprecedented reform agenda that embraces significant cuts in discretionary spending—including federally sponsored student aid and research. Will Congress abolish Pell grants, the public broadcasting system, and the national endowments for the arts and the humanities? Will it vote to require that interest on student loans accumulate while students continue their studies? Will it approve President Clinton's plan to make tuition costs tax deductible? One month into the 104th Congress, the possibilities are dizzying.

In addition to these potentially vast changes resulting from federal legislation, several important lawsuits have thrust the judicial branch into the world of higher education in a very visible and substantial way. For example, a Pennsylvania court has questioned the tax-exempt status of colleges and universities, and a federal court has reignited the debate over the legality of race-based scholarships. In addition, desegregation cases involving state systems of higher education continue to progress through the federal courts.

These new developments have led to a wide swing in the issues the group chose to include on this year's list. Several issues emerged in 1994 that simply were not part of the public dialogue when we prepared last year's paper. No one then anticipated the Pennsylvania court ruling on the tax-exempt status of a higher education institution. Similarly, the 1994 elections have catapulted tax issues into far greater prominence than any of us imagined.

By the same token, a number of issues we included last year have moved off this year's screen. For example:

- In 1994, higher education's involvement with public school reform was a top priority because major federal legislation was scheduled for congressional debate; it is unlikely the 104th Congress will consider matters of K-12 education reform that affect higher education, although teacher-education reform remains high on the agenda of many states. In effect, school reform has been replaced on the 1995 list with work-force preparation, as Congress considers adult and vocational education legislation and the Clinton administration's job-training initiative.
- Last year, faculty retirement appeared on the list because mandatory retirement was scheduled to end in 1994. It did—without much fanfare or apparent short-term impact—and this year it does not appear to be a significant public-policy issue.
- Intercollegiate athletics reform remains important to many colleges and universities, and readers may wonder why it does not appear on this year's list. As this paper neared publication, the NCAA Convention had voted on significant reforms involving academic standards for student eligibility. It may well be, however, that athletics reform will remain high on the public-policy agenda.

Suggestions and Acknowledgements

Although the issues are numbered, *they are not listed in order of relative priority.* Individual governing boards and chief executives might find it useful to place these issues in order of potential importance to their own institution or system. Several of these issues surely justify discussion at board meetings. Boards also may wish to consider these questions:

- As a board, with our chief executive, are we addressing and helping to shape public-policy issues affecting our institution? Should we be doing so? How can we be effective advocates of informed public policy?
- Can we reliably assess the effects of the public-policy proposals cited here on our campuses? What information do we need to be able to explain their potential impact to public-policy makers?

To make this document convenient to use, an "at a glance" box contains a synopsis of each issue. Discussion is limited to two pages and includes recommendations for further reading. In addition, to aid discussion at a board meeting or retreat, you may wish to convert the list of ten issues on page 5 to a transparency for use with an overhead projector. AGB members have permission to photocopy this entire paper, or additional copies can be ordered for a nominal charge by calling 202/296-8400.

Special acknowledgements are due to AGB director **Alan Hassenfeld**, trustee of Brown University and Bryant College, and the Hassenfeld Family Foundation, for once again making distribution of this paper possible to AGB's 30,000 members. AGB also is grateful to **TIAA-CREF** for its contribution to the research necessary to develop it.

AGB Senior Fellow **Arthur M. Hauptman** directed this project with his usual competence and objectivity; Executive Vice President **Richard D. Legon**, Vice President for Publications **Daniel J. Levin**, and Director for Public Sector Programs **Richard Novak** contributed to its development. Finally, we are very grateful to the individuals listed below who convened in Washington, D.C., in late November 1994 to consider which of the many competing public-policy issues should be included this year. Although the group bears no responsibility for the final version of this document, AGB acknowledges their valuable insights and advice.

Ernst Benjamin, former general secretary, American Association of University Professors
Roger R. Blunt, chair of the AGB Board of Directors and regent, University of Maryland System
Patrick M. Callan, executive director, California Higher Education Policy Center
Judith S. Eaton, president, Council for Aid to Education
Edward Elmendorf, vice president for government relations and policy analysis, American Association of State Colleges and Universities
Darryl G. Greer, executive director, New Jersey State College Governing Boards Association
Matthew Hamill, vice president for administration, National Association for Independent Colleges and Universities
Terry W. Hartle, vice president for governmental relations, American Council on Education
Richard A. Licht, chair, Rhode Island Board of Governors for Higher Education
Kay McClenney, vice president, Education Commission of the States
Patricia McGuire, president, Trinity College (Washington, D.C.)
David J. Morse, assistant vice president for policy planning, University of Pennsylvania
Diane Oakley, vice president for associations and governmental relations, TIAA-CREF

We welcome your comments and suggestions. If we offer a similar paper next year, how can we make it better and more helpful?

Richard T. Ingram
AGB President
January 1995

Ten Public Policy Issues for Higher Education in 1995

1. Student Loan Changes
Explosive growth in student borrowing and debt burdens will rekindle debates about federal student-loan policies and may energize new college cost-containment efforts.

2. Restricted Taxpayer Support
Because of federal budget constraints, state tax and spending cuts, and continued competition for tax dollars, higher education should not expect more public resources, even if national and regional economies continue to grow.

3. Tax Policies
The debate over a tax deduction for college expenses and other federal tax cuts will provide opportunities and challenges for higher education. A Pennsylvania court ruling questions whether independent colleges and universities continue to merit their traditional tax-exempt status.

4. Federal Support for Research and Other Programs
Federal support for scientific research, arts, humanities, public broadcasting, and other campus-based programs are candidates for substantial cuts or elimination, and the controversy over indirect-cost recovery may intensify.

5. SPREs and Regulations
Colleges and universities may receive some relief from State Postsecondary Review Entities (SPREs) and other regulatory requirements. In place of these regulations, federal and state governments may rely more on performance-based outcome measures.

6. Accreditation Reform
The higher education community will debate and possibly implement a plan to reform institutional voluntary accreditation.

7. Access and Diversity
Judicial cases regarding race-based scholarships, desegregation, and gender equity all raise questions about institutions' ability to provide the full collegiate experience to a broad range of citizens.

8. Work-Force Preparation
Federal legislation on adult education, vocational education, and job training could create competition for resources between colleges and universities and providers of short-term vocational training.

9. Productivity and Restructuring
Budget constraints and pressure to limit tuition hikes will lead colleges and universities to explore ways to increase faculty productivity and accelerate institutional and system restructuring in several states.

10. Cost and Availability of Technology
Federal telecommunications legislation and state regulatory efforts could have substantial effects on the future cost and availability of information technology.

1. Student Loan Changes

Issue at a Glance

Explosive growth in student borrowing and debt burdens will rekindle debates about federal student-loan policies and may energize new college cost-containment efforts.

- Congress may eliminate subsidies on the interest that accumulates on federal loans while borrowers are in school, thereby steeply increasing the lifetime costs of student loans.
- The direct-loan program may be capped and changed as critics of the program take up key positions of authority in the 104th Congress.
- The recent rapid growth in borrowing may renew calls for the federal government to contain costs by amending provisions in federal student-aid programs.

Two developments in 1994 could substantially affect federal student-loan policies—and federal aid more generally—in 1995 and beyond. First, federal student-loan volume exploded from $14 billion in 1993 to more than $20 billion in just one year. This represents an increase of more than 40 percent, and more increases are expected in the future. The increases largely are due to 1992 changes in federal student-loan legislation that raised loan limits, created a new unsubsidized loan program, and eliminated home equity in the calculation of a family's ability to pay for college. This growth in loan volume could lead to efforts to cut back on loan limits or restrict the eligibility of certain students to borrow. It also raises fears of further tuition inflation if colleges come to believe students and their families can rely more on loans to finance their education.

The change in party control of Congress is the second development that will affect federal student-loan policies. Some of the most forceful critics of the 1993 student-loan reform legislation now will be in charge of the relevant congressional committees as a result of the change in party control.

• Congress may eliminate subsidies on the interest that accumulates on federal loans while borrowers are in school, thereby steeply increasing the lifetime costs of student loans.

Lost amid the hubbub about the shift to direct loans and income-contingent repayment was the fact that the largest federal cost of student loans was left untouched in the 1993 Student Loan Reform Act. Most borrowers do not pay interest while they are enrolled in college and for a six-month to nine-month grace period after they no longer are enrolled. Because of the recent increase in loan volume, this in-school interest subsidy—a huge benefit to student borrowers—now costs the federal government more than $2 billion annually.

The "Contract With America" pledged to eliminate the in-school interest subsidy at an estimated cost saving of $9.6 billion over five years. Now that the Republicans hold the majority in Congress, such a provision probably will be included as part of the congressional budget plan that will be debated early in 1995. Higher education associations are fighting elimination of the subsidy with a gross-roots lobbying effort. The Clinton administration also opposes its elimination and is prepared to accelerate the movement toward direct lending as an alternate

means of reducing federal student-loan costs. The debate over elimination of the in-school interest subsidy could be a key test of the strength of the new congressional Republican majorities.

• The direct-loan program may be capped and changed as critics of the program take up key positions of authority in the 104th Congress.

The direct-loan program—which placed control of student-loan administration in the Education Department instead of banks and other third parties—took effect in 1994. More than 100 institutions, representing about 5 percent of total federal student-loan volume, are participating this year; and 1,500 institutions, representing an estimated 40 percent of total loan volume, have been selected to participate in the 1995-96 academic year. This program continues to be subject to intense scrutiny as banks and other participants in the loan programs maintain they can provide better service to students and institutions than the federal government. Congressional hearings on this issue early in the session will reveal how hot the direct-loan debate remains.

The Clinton administration may propose to speed the shift toward direct lending as a way of derailing the elimination of the in-school interest subsidy. But speeding up direct loans will receive a cool reception from such congressional leaders as Senator Nancy Kassebaum (R-Kan.), chair of the Labor and Human Resources committee, and Representative Howard P. "Buck" McKeon (R-Calif.), chair of the postsecondary education, training, and lifelong learning subcommittee, who initially opposed passage of direct loans. McKeon, a second-term congressman and former board chair of a bank, will head the subcommittee that considers legislation relating to higher education.

• The recent rapid growth in borrowing may renew calls for the federal government to contain costs by amending provisions in federal student-aid programs.

A principal argument in response to those who say higher student aid leads to higher college costs has been that existing loan limits preclude institutions from raising their prices to capture more financial aid. Although college tuition increases have slowed in recent years, they still are rising at about twice the rate of inflation and remain a source of concern.

Now, with the recent expansion in student-loan eligibility and in income-contingent repayment options, some fear colleges and universities will see an opportunity to raise their tuitions. Consequently, Congress may feel pressure to take steps to discourage institutions from increasing their prices. The debate over the Clinton administation's proposal to make tuition costs tax deductible (see page 11) also could fuel concerns about federal policies leading to tuition inflation.

For more information on this issue:

"How People Pay for College: A Dramatic Shift," by Terry W. Hartle, in the *Chronicle of Higher Education*, November 9, 1994.

"Are Merit Scholarships Threatening the Future of Private Higher Education?" by Henry E. Riggs, in *Trusteeship*, May/June 1994.

"The End of Interest Subsidies?" by Jim Zook, in the *Chronicle of Higher Education*, November 23, 1994.

2. Restricted Taxpayer Support

Issue at a Glance

Because of federal budget constraints, state tax and spending cuts, and continued competition for tax dollars, higher education should not expect more public resources, even if national and regional economies continue to grow.

- Federal tax cuts, deficit-reduction measures, and passage of a constitutional amendment to balance the budget could lead to unprecedented restrictions in federal funding for higher education.
- In a number of states, tax cuts and spending limitations could restrict the growth in funding for higher education.
- The competition for public funds will continue to intensify at both the federal and state levels, dampening prospects for increased support of higher education.

The national economy in 1994 continued to recover from the recession that began in 1990. Normally, such an upswing in the economy would mean more resources for higher education coming from both taxpayers and consumers. But momentum from the November elections to address the federal budget deficit and to cut people's taxes likely will lead to restrictions in the availability of funding for many federal programs, including those for higher education.

Economic growth was evident in the vast majority of states in 1994, and state revenues generally exceeded earlier projections. State spending overall grew by 5 percent in 1994, and is projected to continue at that rate through fiscal 1995. Only ten states instituted mid-year budget cuts in 1994, down from the 35 states that did so in 1992. This general growth in state spending patterns was reflected in higher education as well. State appropriations for higher education experienced a 4 percent gain in 1994, slightly more than inflation.

But uneven economic growth could spell trouble for colleges in a number of states where revenues are not increasing. The competition for state tax dollars may intensify as the costs and caseloads of corrections and health care continue to grow. The costs of reforming the welfare system also could cut into funding for higher education.

• Federal tax cuts, deficit-reduction measures, and passage of a constitutional amendment to balance the budget could lead to unprecedented restrictions in federal funding for higher education.

The 104th Congress will consider a balanced budget amendment within its first 100 days. Although this legislation will have no immediate impact on the funding of federal programs until and unless it is adopted by three-quarters of the states (by no means a sure thing!), a vote for a balanced budget amendment would signal that federal funds are likely to shrink in the future. Congressional passage of the amendment will hinge on resolution of questions concerning limits on unfunded federal mandates imposed on states and localities. Higher education institutions often must pay the costs of complying with or implementing federal mandates concerning the environment, worker safety, and so forth. All existing federal mandates, including civil-rights laws, would be exempt from unfunded-mandates legislation. Exempting state and local govern-

ments from future unfunded mandates would address the concerns of public colleges and universities (as instruments of government) but not those of private institutions.

Of more immediate concern to colleges and universities, however, will be efforts in 1995 to cut federal spending to reduce the deficit and provide enough budgetary room for tax cuts that both parties now favor. Initial spending-cut proposals were unprecendented in scope. A number of domestic programs were slated for elimination, and many others were targeted for cuts of 25 percent or more. The list of federal higher education programs that might be cut or eliminated includes Pell Grants, the campus-based student aid programs, and student loans as well as a number of categorical programs that fund institutional grants for international education, cooperative education, the TRIO programs for disadvantaged students, and more.

• In a number of states, tax cuts and spending limitations could restrict the growth in funding for higher education.

Perhaps as many as half of the states are contemplating tax cuts in their 1995 legislative sessions, and the states collectively may cut their taxes by as much as $5 billion. In addition, two more states in 1994 adopted spending limitations in the November elections; some form of tax or spending limitation is in force in a majority of states. These tax cuts and limitations on tax and spending growth will constrict states' budget flexibility in funding general operating support of public colleges and universities, as well as other state programs for higher education, such as student grants.

• The competition for public funds will continue to intensify at both the federal and state levels, dampening prospects for increased support of higher education.

The identification of crime as the nation's premier social problem exemplifies the continuing dilemma higher education faces in its search for federal and state support. The passage of the federal crime bill in 1994 and its likely reconsideration during the 104th Congress means the federal government is likely to devote still greater resources to fighting crime and supporting corrections efforts. In many states, building and maintaining more prisons continues to be a top priority, a devotion of more resources that undoubtedly means less funds will be available for higher education.

Similarly, health care represents a competing use of taxpayer funds at both the federal and state level. The failure to pass health-care reform in the 103rd Congress may have several short-term consequences for higher education. First, Medicare and Medicaid continue to be among the fastest growing federal spending programs. Without reform, they will continue to siphon funds that otherwise might be available for higher education. The failure to reform health care at the federal level also means states will continue to grapple with this problem. On the other hand, if the federal and state governments are successful in reducing health-care payments, one likely cut may be in payments to such providers as university teaching hospitals.

This year, we can add welfare reform to the list of issues that represent competition for higher education in its search for public funds. One possible direction of welfare reform at the federal level is to ease regulatory burdens and increase flexibility of administration but at the cost of much lower federal support. If states are provided fewer federal funds for welfare, or if welfare ceases to be a federal entitlement, states may be tempted to "borrow" funds from other state functions to pay for these higher welfare costs.

For more information on this issue:

Report of the States: 1994 Annual Budget and Fiscal Survey, published by the American Association of State Colleges and Universities, June 1994.

3. Tax Policies

Issue at a Glance

The debate over a tax deduction for college expenses and other federal tax cuts will provide opportunities and challenges for higher education. A Pennsylvania court ruling questions whether independent colleges and universities continue to merit their traditional tax-exempt status.

- **President Clinton's proposed tax deduction for college expenses will be debated as part of a much larger tax bill. The effort to provide middle-class tax relief will create pressure to pare many programs that help higher education.**

- **A Pennsylvania court has rescinded the tax-exempt status of an independent college; if upheld, the ruling could have severe consequences for other institutions in the state and across the country.**

Tax policies have played an increasingly important role in financing higher education. Tax deductions for charitable giving, valuation of appreciated property, employer-provided tuition payments, and the taxable status of graduate students serving as teaching or research assistants are among the issues that have been subject to scrutiny in recent years. This year the stakes may get higher.

• President Clinton's proposed tax deduction for college expenses will be debated as part of a much larger tax bill.

In December 1994, President Clinton proposed his "Middle-Class Bill of Rights," a package of targeted income-tax cuts that he presented as an alternative to the raft of proposals from representatives and senators of both parties. A prominent feature of the president's proposal was to allow a family to deduct $10,000 per year for tuition expenses at postsecondary institutions. Whether the Republican Congress welcomes the Clinton proposal or considers it a Johnny-come-lately addition to their tax-cut juggernaut is difficult to predict.

Reaction to the president's proposal has been mixed. Many higher education associations support the deduction as long as it is not funded directly or indirectly through cuts in other federal higher education programs or tax benefits. Availability of such a deduction could make a real difference in the ability of many middle-class students to attend college or, perhaps more important, to enroll in more expensive institutions they otherwise could not afford. This latter potential effect of the Clinton proposal is what worries many other observers, who believe the availability of the tax deduction will lead to higher college tuitions and little net improvement in college affordability.

The effort to provide middle-class tax relief—whether through targeted tuition deductions or more generalized cuts—will create pressure to pare many federal programs that help higher education. Thus, what is gained through tuition tax deductions may be lost through cuts in funding for programs that help colleges and universities or their students.

• A Pennsylvania court has rescinded the tax-exempt status of an independent college; if upheld, the ruling could have severe consequences for other institutions in the state and across the country.

In August 1994, a Pennsylvania Common Pleas Court ruled that Washington and Jefferson College, an independent liberal arts college near Pittsburgh, did not qualify as a tax-exempt organization and therefore was subject to nearly $1.5 million in property-tax bills from six local jurisdictions. The case was brought by local school districts that sought additional revenues. These bills, if paid, would represent 5 percent to 10 percent of the institution's total budget. The ruling said the college failed to meet several criteria the court established for charitable organizations: the percentage of merit-based aid, whether aid was provided consistently throughout the four-year career of students, and whether sufficient aid was provided to those in need of charity.

The decision, which indicates a lack of understanding of student financial aid, is being challenged. If it stands, this decision could have broad consequences for the tax-exempt status of colleges and universities and could affect the in-lieu-of-tax payments many institutions now make to their local jurisdictions. If institutions fail to retain their local property-tax exemptions, their already strained budgets will become that much more strained.

Two cases in Philadelphia raise tax-related issues for colleges and universities as well. In one, the University of Pennsylvania agreed to pay occupancy taxes to receive a city permit to operate dormitories. In another, ten independent institutions were presented with local tax bills.

For more information on this issue:

"Clinton Plan to Help Middle Class Pay for College Gets Mixed Reaction; Some See Welcome Relief, but Others Fear Consequences for Needy Students," by Jim Zook and Scott Jaschik, in the *Chronicle of Higher Education*, January 6, 1995.

4. Federal Support for Research and Other Programs

Issue at a Glance

Federal support for scientific research, arts, humanities, public broadcasting, and other campus-based programs are candidates for substantial cuts or elimination, and the controversy over indirect-cost recovery may intensify.

- Federal support for university research is likely to decline in real terms, although certain research fields, such as biomedical research, may escape the budget knife.
- Despite reforms in the administration of federal grants, indirect-cost recovery rules once again will attract congressional attention.
- Probable cuts and possible elimination of federal support for the arts, humanities, and public broadcasting may impair campus programs and intensify disputes over political correctness and academic freedom.

The current political climate dictates further reductions in nondefense spending (beyond spending caps enacted in 1993) as well as tax cuts for the middle class. These pressures will inhibit the ability of Congress and the administration to sustain funding for university-based research.

Although many policy makers continue to appreciate the benefits of university-based research, the countervailing forces of budget stringency and fairly widespread concerns about the purposes and management of research may prove to be stronger and lead to cuts in specific areas of support for research.

• Federal support for university research is likely to decline in real terms, although certain research fields, such as biomedical research, may escape the budget knife.

In fiscal 1995, total federal support for university-based research grew by about 2 percent to $14 billion. This nominal growth represents a slight reduction in real terms relative to fiscal 1994 and represents an acceleration of the downward trend in federal support for university research that has characterized the 1990s after robust real growth throughout most of the 1980s.

Although some proponents of reducing research support will stake their positions on perceptions of institutional mismanagement or a program's lack of compatibility with the mission of a specific federal agency, the principal reason for cuts in research funding will be the pressure to reduce federal spending for nondefense programs.

University research supported by the Department of Defense was cut by more than 20 percent in fiscal 1995 appropriations. Proposals from both the administration and the Congress for increased DoD spending in fiscal 1996 likely will focus on improving the readiness of our armed forces and the quality of life of military personnel. Moreover, the "Contract With America" calls for funding of the National Science Foundation, the principal federal agency supporting research in the basic physical sciences, to grow by less than the rate of inflation over the next five years.

The recent drive for more "strategic, results-oriented research," initiated by several federal agencies and by some key members of Congress, is likely to slow with the ascension of a new cadre of congressional leadership. The two principal federal technology-development initiatives—the Commerce Department's Advanced Technology Program (ATP) and the Defense Department's Technology Reinvestment Program (TRP)—have been criticized by the new congressional leadership as promoting "industrial policy" and inappropriate government intervention in the commercial marketplace. Funding for these two projects is likely to be reduced substantially. Some university officials may view this development as salutory, since participation of universities has been only modest in these programs. They may view a refocusing of government support toward basic discoveries in the biological and physical sciences, even at reduced levels, as a positive trend.

• Despite reforms in the administration of federal grants, indirect-cost recovery rules once again will attract congressional attention.

The indirect-cost controversy peaked several years ago when Stanford University and a number of other institutions were reported to have charged the government inappropriately for certain costs related to the conduct of federally sponsored research. Payments for the indirect costs of research—that is, overhead—have been under extreme pressure since 1991 when the administrative billing practices of a number of universities came under congressional scrutiny. In the wake of criticisms of these practices from the public and policy makers, a number of changes in the reimbursement system were made in 1992 and 1993.

Although Stanford subsequently has been largely exonerated of these charges, the debate it sparked continues. In 1994, the Clinton administration and the 103rd Congress considered reducing reimbursement rates for indirect costs—both for facilities and administration—of federally sponsored research. Although no major further changes were adopted, two major appropriations subcommittees asked the Clinton administration to propose alternatives early in 1995. Moreover, the spending cuts outlined in the Republican "Contract With America" suggest $1.6 billion in savings may be generated during the next five years by reducing overhead payments to universities.

• Probable cuts and possible elimination of federal support for the arts, humanities, and public broadcasting may impair campus programs and intensify disputes over political correctness and academic freedom.

The changing of the guard on Capitol Hill will have large consequences for federal support for the arts, humanities, and public broadcasting. Curtailment or even possible elimination of the National Endowment for the Humanities would lead to diminished funding for faculty research in the humanities and impair collaborative efforts among institutions, schools, and their communities. The campus and community programs funded by the National Endowment of the Arts also are in limbo because of opposition by those who believe government funding of the arts is inappropriate. Controversies swirling around various projects funded by the arts endowment bolster their case for eliminating the agency. Finally, the many colleges and universities that house public broadcasting facilities would be adversely affected by cuts in federal subsidies for or elimination of the Corporation for Public Broadcasting.

For more information on this issue:

"Science in the National Interest," Executive Office of the President, Office of Science and Technology Policy, August 1994.

"Congressional Action on Research and Development in the FY 1995 Budget," American Association for the Advancement of Science, 1994.

5. SPREs and Regulations

Issue at a Glance

Colleges and universities may receive some relief from State Postsecondary Review Entities (SPREs) and other regulatory requirements. In place of these regulations, federal and state governments may rely more on performance-based outcome measures.

- The federal government seems prepared to provide regulatory relief to colleges and universities on a number of fronts, including possibly reducing or eliminating the role of SPREs for traditional four-year colleges and universities.

- At both the federal and state levels, regulatory approaches are likely to be replaced with accountability efforts based on performance measures.

The past year was marked by much wrangling over the establishment of State Postsecondary Review Entities (SPREs), which were created as part of the 1992 reauthorization of the Higher Education Act. Most of the SPRE activity in 1994 was devoted to establishing standards in various states; 16 SPREs are likely to have had their standards approved by the secretary of education in early 1995. Consistent with the legislation, most of these SPRE efforts will focus on poorly performing trade schools and problematic nonprofit institutions.

Many college and university officials, however, worry that SPREs will be allowed to review curricular and other matters related to the academic integrity of the institution, a function most observers agree would represent inappropriate government intrusion. Because of these concerns, the higher education community has sought to limit the rule-making authority of SPREs and the money they receive in federal funds. Congress appropriated only about one-half of the administration's funding request for SPREs.

The specific concerns about SPREs also relate to a more general sense that college officials must devote increasing time and resources to comply with a tangled web of federal and state regulations that require applications, data reports, audits, and legal actions. This increased use of regulations to govern the activities of colleges and universities runs counter to the tradition in American higher education of self-regulation and autonomy.

• The federal government seems prepared to provide regulatory relief to colleges and universities on a number of fronts, including possibly reducing or eliminating the role of SPREs for traditional four-year colleges and universities.

It appears that institutional concerns and complaints about SPREs and regulatory burdens—which have been widespread and vocal—have been heard. The Department of Education last year conducted a series of regional meetings requesting comments on what aspects of federal student-aid programs needed reform. An oft-repeated view at these meetings cited the importance of reducing regulatory burdens on institutions that comply with existing laws and regulations.

As part of its effort to reinvent government, the Clinton administration may suggest paring the number and extent of regulations that affect higher education. In reviewing student-aid programs, the administration also may propose lessening or eliminating the applicability of

SPREs for traditional higher education institutions, a development that would be applauded by many higher education officials.

The new Congress also seems prepared to tackle the issue of regulatory relief. A prominent Republican theme of the November 1994 elections was that federal regulations are too intrusive in the lives of ordinary Americans. Thus, it is possible that regulatory relief will become part of a bidding war between Republicans and Democrats seeking to win favor with voters.

• At both the federal and state levels, regulatory approaches are likely to be replaced with accountability efforts based on performance measures.

The political shift to the right and the public's continued skepticism about the results of higher education also suggest efforts will accelerate to instill greater accountability into the process by which colleges and universities receive public funds. One way to accomplish this will be to place greater emphasis on performance measures to assess institutional performance.

At the federal level, this increased focus on performance measures is likely to be tied to efforts to provide regulatory relief to traditional higher education institutions. One possible avenue will be to exempt certain colleges and universities from a series of regulations if they meet certain performance criteria. These may include benchmarks tied to graduation rates and job placement.

In the states, the move toward greater accountability will represent a continuation of an existing trend: Governors and legislatures increasingly are requiring public institutions to justify the expenditure of taxpayer funds with evidence that they are successful at what they do. As many as one dozen states may debate performance-based funding this year.

For more information on this issue:

"The Battle Over Governmental Regulation of Academe," by Terry W. Hartle, in *The College Board Review*, Summer 1994.

"The Outlook for Higher Education in the 50 State Legislatures This Year," in the *Chronicle of Higher Education*, January 6, 1995.

"SPRE Madness," by Patricia McGuire, in *Trusteeship*, November/December 1994.

Standard Setting and Financing in Postsecondary Education: Eight Recommendations for Change in Federal and State Policies, by Arthur M. Hauptman and James R. Mingle, published by the State Higher Education Executive Officers, November 1994.

6. ACCREDITATION REFORM

Issue at a Glance

The higher education community will debate and possibly implement a plan to reform institutional voluntary accreditation.

- Debate will occur on a proposal by the National Policy Board on Higher Education Institutional Accreditation to establish an independent national board that would have certain responsibilities to oversee, strengthen, and advocate voluntary institutional accreditation.
- The NPB has proposed that a uniform set of "core" standards be applied regionally, and some individuals have recommended working toward mission-specific standards for each major type of institution.
- The NPB also has proposed that the regional accrediting bodies take responsibility for determining ways to assess learning outcomes that are appropriate to American higher education and its diverse institutional missions.

Voluntary self-regulation through the process of accreditation is one of the distinguishing characteristics of American higher education. With a tradition that dates back more than a century, institutional accreditation has played a key role in expanding the diversity of American higher education. The connection between accreditation and student aid has existed for more than a quarter century, as the federal government has relied on accreditation as a major component in determining institutional eligibility for student aid.

But institutional accreditation increasingly has come to be viewed more as part of the problem than part of the solution. The perceived ineffectiveness of accreditation in preventing low-quality institutions from participating in federal student-aid programs led Congress to establish the SPREs in the 1992 legislation. The collapse in 1993 of the Council on Postsecondary Accreditation (COPA)—the coordinating body for regional, national, and specialized accrediting bodies—fueled the perception that the accreditation process needed to be reformed.

In response to these concerns, the National Policy Board on Higher Education Institutional Accreditation (NPB) was established in 1993 to reexamine the purposes, structure, and focus of institutional accreditation. The NPB, which is composed of the heads of the six presidential higher education associations, AGB, and the eight regional accreditation agencies, has convened conferences, sponsored papers, and stimulated discussions regarding the future path of accreditation. The purposes, structure, and focus of institutional accreditation will be debated this year as a consequence of several NPB proposals.

• Debate will occur on a proposal by the NPB to establish an independent national board that would have certain responsibilities to oversee, strengthen, and advocate voluntary institutional accreditation.

As part of a system of checks and balances within the existing structure of regional accrediting agencies, the proposed new national board would be constituted as an association of institu-

tions—unlike COPA, which was an association of associations. The intent of the proposal is that the new governing board would be independent of the control of either the regional accrediting bodies or the national higher education associations, although it would consult extensively with the former in the development of its processes.

Among the proposed board's responsibilities would be to advance public understanding of why voluntary accreditation is preferable to a system of direct governmental control and regulation. The board also would be responsible for developing guidelines that ensure reasonable uniformity with regard to the substance, form, and timing of providing information on the results of accreditation review processes to the public.

The debate has begun over the proposal to establish a new, national, self-perpetuating board consisting predominantly of public members and academic chief executives. Advocates for establishing a new board along these lines argue that it is needed to strengthen the credibility and public purposes of accreditation. Opponents of the proposal believe that it may intrude on institutional autonomy and could be as problematic as any strictly governmental agency. A decision is likely before the end of 1995, although much more work is needed on the details.

• The NPB has proposed that a uniform set of "core" standards be applied regionally, and some individuals have recommended working toward mission-specific standards for each major type of institution.

The eight accrediting associations in six regions have worked together to develop more uniform standards and eligibility requirements. The proposed national board would have the benefit of this work and would be expected to confer with the executive and staff of the regional agencies on adaptations, extensions, and future changes to these "core" standards. If core standards to fit the distinctive missions of the major types of institutions are adopted in the future, community colleges, liberal arts colleges, and research universities all conceivably could have their own unique eligibility criteria and differential review processes.

• The NPB also has proposed that the regional accrediting bodies take responsibility for determining ways to assess learning outcomes that are appropriate to American higher education and its diverse institutional missions.

New requirements to assess learning outcomes have emerged as part of public school-reform initiatives spurred by the "Goals 2000" movement begun by the state governors several years ago. There is considerable concern within the higher education community, however, that states will attempt to impose this "template" on colleges and universities, especially through the inappropriate application of standardized tests.

Many higher education leaders agree that institutional accreditation has focused too much on "input" measures and that more needs to be done to measure "outputs" and the "value added" of the effects of the collegiate experience. The difficulty arises in determining the proper measures that reflect the diversity of the institutions and students that comprise American higher education. One of the roles of the proposed national board would be to work with the regional accrediting agencies and others to explore options for measuring outputs, especially in undergraduate education.

For more information on this issue:

"Independence, Accreditation, and the Public Interest," a report by the National Policy Board on Higher Education Institutional Accreditation, AGB Public Policy Paper 94-2.

"Accreditation: A Personal Odyssey," by Kenneth Perrin in *Educational Record*, Winter 1995.

7. Access and Diversity

Issue at a Glance

Judicial cases regarding race-based scholarships, desegregation, and gender equity all raise questions about institutions' ability to provide the full collegiate experience to the broad range of society.

• A federal appeals court ruling forbidding the University of Maryland to offer race-based scholarships has reignited the debate and will be appealed to the Supreme Court.

• A number of desegregation cases involving state higher education systems will continue to wend their way through the federal court system.

• The number of Title IX cases continued to grow in 1994, ensuring that gender equity will remain a high-profile issue in 1995, especially as the Education Department determines how to enforce Title IX regulations.

The federal judiciary recently has become increasingly visible in matters relating to higher education. Students' eligibility for scholarships, institutional and system mandates to desegregate, and the appropriateness of various expenditures of funds all have been the subject of recent judicial rulings. More often than not, these cases involve the rights of minorities, women, and the disadvantaged; thus, all raise issues of access and diversity.

Much of the recent increased presence of the federal courts in higher education may be symptomatic of a broader trend in society, in which individuals and groups rely on the courts not just to resolve differences but also to raise public awareness about issues. Greater judicial intervention also may be the result of the confusion and ambiguity that arises from the increasing volume of regulations that govern higher education at both the federal and state levels. It appears these trends will continue in 1995 and beyond.

• A federal appeals court ruling forbidding the University of Maryland to offer race-based scholarships has reignited the debate and will be appealed to the Supreme Court.

The issue of race-specific scholarships burst into the national consciousness in December 1990 when a Bush administration Education Department official suggested minority scholarships probably violated federal anti-bias laws. The suggestion sparked a national controversy over whether it was legal for public institutions to restrict scholarships to certain minority groups of students. The controversy appeared to end in February 1994 when Education Secretary Richard Riley issued guidelines indicating race-based scholarships were legal if they sought to remedy past discrimination or to promote greater student diversity.

In October 1994, however, the U.S. Court of Appeals for the Fourth Circuit ruled that the University of Maryland at College Park could not restrict a scholarship program only to black students. This ruling appears to run counter to Riley's guidelines and has generated enormous confusion over what is the operable rule.

For example, are institutions still permitted to develop race-specific scholarship programs? Does the court ruling apply to all institutions, or only those that fit the situation of the University

of Maryland and its scholarship program? Are there alternative ways to achieve the objectives of race-specific scholarships without limiting eligibility to certain groups of students? All of these questions and others will have to be addressed in the coming months.

• A number of desegregation cases involving state higher education systems will continue to wend their way through the federal court system.

A federal judge is expected to rule shortly on the Fordice case in Mississippi; this decision could have major implications for other states undergoing desegregation reviews. The Fordice case was remanded by the Supreme Court to a lower federal court in 1992 to eliminate the "vestiges of desegregation" that remained in Mississippi's higher education system. What remains at issue is what remedies will satisfy the courts. The 1992 Supreme Court ruling affected not only institutions in Mississippi but also institutions in other states, primarily in the South, that previously had reached agreements with the Justice Department and the Office of Civil Rights. The legislatures in Alabama and Mississippi this year may become involved in attempting to settle the cases that remain before the courts in those states.

Louisiana's desegregation plan was approved by the U.S. District Court in December. It avoids the divisiveness of plans submitted earlier and rejected by the courts. These plans, which called for institutional mergers and closures and the elimination of governing boards through consolidation, would have eliminated the Southern University System, the only black college system in the country. The December agreement, however, will require large sums of new funding for scholarships, building renovation, and new academic programs; one issue to watch this year is whether those new funds are forthcoming.

• The number of Title IX cases continued to grow in 1994, ensuring that gender equity will remain a high-profile issue in 1995, especially as the Education Department determines how to enforce Title IX regulations.

Title IX cases in 1994 focused primarily on equal pay and conditions of employment for female coaches. In 1995, attention may shift to the Education Department's Office for Civil Rights, as it considers how to enforce institutional compliance with the federal sex-discrimination law. Some institutions are concerned that complying with the law is forcing them to abandon certain men's teams, such as gymnastics, swimming, or wrestling. Others say the high number of scholarships schools offer to football players is the reason for potential imbalances in opportunities for men and women.

Colleges can comply with Title IX by achieving "proportionality" in athletics participation—that is, by bringing the percentage of men and women on varsity teams in line with the ratio of men and women undergraduates. They also can comply by showing a history of increasing sports opportunities for the underrepresented gender or by showing that the "interests and abilities" of that gender have been satisfied. Most institutions rely on the proportionality test.

In addition, regulations stemming from legislation passed last year require colleges and universities to provide prospective students with statistics relating to Title IX compliance.

For more information on this issue:

"Minority Scholarships in a New Light," by Scott Jaschik, in the *Chronicle of Higher Education*, November 9, 1994.

"Protecting Men's Sports," by Mike Zapler, in the *Chronicle of Higher Education*, January 6, 1995.

8. Work-Force Preparation

Issue at a Glance

Federal legislation on adult education, vocational education, and job training could create competition for resources between colleges and universities and providers of short-term vocational training.

- Two programs specifically targeted to work-force preparation were among the few higher education programs that received federal funding increases in 1994. This may be an indication of things to come.
- New work-force initiatives could be channeled through the Perkins Vocational Education Act and the Adult Education Act, both of which are due to be reauthorized in 1995.
- The Clinton administration has proposed a major work-force preparation initiative that would place more responsibilities on the states and could shift support away from students pursuing academic degrees.

Work-force preparation is likely to be a key federal and state issue in 1995, with major federal legislation scheduled for reauthorization and with new initiatives coming from the Clinton administration and the new Congress. The result could be a loss of revenue to colleges and universities, as more funds are provided to vocational programs and proprietary schools.

The Clinton administration now appears prepared to use some federal student-aid dollars that now go to students in nondegree programs to fund more specific work-force needs. A possible consequence of these developments may be that four-year and two-year institutions may find themselves in competition for certain federal funds. They also may find their curricula have less in common, especially if work-force preparation at two-year colleges increasingly supplants the academic-oriented curriculum that traditionally has tied these institutions to the world of four-year colleges.

The new Congress may have its own ideas about how to spur work-force preparation. Many states, faced with increasing competition for taxpayer dollars, may be willing to accept federal funds for work-force preparation even if doing so undermines financial support for higher education generally.

• Two programs specifically targeted to work-force preparation were among the few higher education programs that received federal funding increases in 1994. This may be an indication of things to come.

The School-to-Work Opportunities Act and the "tech prep" programs that are part of the Carl Perkins Vocational Education and Applied Technology Act have been high priorities of the Clinton administration. The School-to-Work legislation established a national program to prepare students for first jobs through a combination of work-based and school-based learning. Tech Prep is a framework for connecting the last two years of high school with the first two years of college, followed by immediate employment. These two programs were among the few higher education

programs that received federal increases in 1994. With the additional budget pressure that will apply in 1995, the shift toward more vocationally oriented funding could continue.

• New work-force initiatives could be channeled through the Perkins Vocational Education Act and the Adult Education Act, both of which are due to be reauthorized in 1995.

Two longstanding federal programs provide assistance in areas directly related to work-force preparation. The Perkins Vocational Act, authorized in 1984, is the successor legislation to the decades-old Vocational Education Act. It provides funds principally to states and localities to support vocational education at the secondary school level. A small but increasing share of funds in this program, however, goes to postsecondary institutions, primarily community colleges. This trend toward greater emphasis on postsecondary education is likely to continue in this year's reauthorization. The Adult Education Act of 1966 supports various providers of basic-literacy programs for adult learners.

Both legislative reauthorizations could be tailored to meet work-force preparation concerns. Vocational education could be redesigned to more closely match training programs with existing or projected work-force needs. Adult education could be expanded to cover basic-skills remediation that increasingly occurs in colleges and universities. Clouding this picture, however, is the likelihood that both pieces of legislation will be prime targets of congressional federal budget-cutting efforts this year.

• The Clinton administration has proposed a major work-force preparation initiative that would place more responsibilities on the states and could shift support away from students pursuing academic degrees.

The administration has proposed a major restructuring of federal employment and training programs that overlap with student-aid programs. The proposal involves moving the portion of Pell Grant funds presently provided to students in short-term, nondegree training programs to the Department of Labor for the purpose of providing funds to the states to support grants for individuals. The higher education community undoubtedly will like the idea of shifting much of the responsibility for trade schools to the Labor Department but will oppose efforts to fund this shift with dollars that now go to student-aid programs.

The new Congress also will put its mark on work-force preparation legislation. It may be willing to go along with the administration's proposal to consolidate many of the existing Labor Department programs into a block grant to the states, but it is unlikely to endorse the notion of shifting responsibility for trade schools to the Labor Department. Congressional Republicans may prefer to keep higher education and proprietary schools together under the federal student-aid umbrella.

For more information on this issue:

"Where Are We Headed With Vocational Education?" by Judith S. Eaton in *Council Comments*, No. 5, 1994, Council for Aid to Education.

"103rd Congress Leaves Full Education Legacy," in *Education Daily*, Special Supplement, January 13, 1995.

School-to-Work: What Does Research Say About It?, published by the Office of Research and Improvement, U.S. Department of Education.

9. Productivity and Restructuring

Issue at a Glance

Budget constraints and pressure to limit tuition hikes will lead institutions to explore ways to increase faculty productivity and accelerate institutional and system restructuring in several states.

- **Pressure to cut costs and restructure at the administrative and departmental level will become more intense.**
- **Pressures to restructure also may become more intense for a number of multicampus systems and state agencies.**
- **Independent institutions will not be immune to calls for greater faculty productivity.**

As financial pressures continue to build in a majority of states, the resulting restrictions in appropriations to higher education will be much more difficult to offset through tuition increases at public institutions. Boards and legislatures appear increasingly reluctant to increase tuitions beyond the rate of inflation. Much of this reluctance comes from concerns that students and families already have borne an unfair share of cost increases in recent years. Michigan State University at the end of 1994 announced that it would hold tuition increases to inflation for the next four years if the legislature pegs appropriations to the rate of inflation; other institutions and states are likely to follow suit.

Boards will need to distinguish between downsizing (which involves cutting staff and other resources), quality improvement (which means performing certain functions better), and true restructuring (which can mean introducing new instructional technologies, reorganizing departments into interdisciplinary units, or changing how academic units are measured from credits earned to outcomes assessment).

• Pressure to cut costs and restructure at the administrative and departmental level will become more intense.

As many as half of the states have sponsored studies or have collected data on faculty work loads at public institutions. It is unrealistic to expect state governors or legislatures to ignore these studies or to fail to link them to efforts designed to increase institutional and faculty productivity. Some of this effort to increase productivity will lead states and institutions to look to new technologies to meet growing student demand (see page 25). But the costs of providing traditional classroom education also will come under increased scrutiny. One result is that state legislatures may pressure boards to appoint special committees to recommend specific strategies to reduce costs and/or to restructure administrative and academic operations; some state legislatures will appoint their own committees.

• Pressures to restructure also may become more intense for a number of multicampus systems and state agencies.

In 1994, New Jersey Governor Christine Todd Whitman led a successful effort to replace the state's board and higher education department with a scaled-down coordinating commission.

This move enhanced the authority of individual institutions and their boards and created incentives for voluntary coordination among all public and private institutions. Many of the incoming Republican governors and legislators in other states are watching New Jersey closely to see if the restructuring creates greater efficiencies. Look for questions about centralized state-level higher education decision making to lead to discussions about the benefits of reorganization, no matter how small or efficient those existing agencies may be.

• Independent institutions will not be immune to calls for greater faculty productivity.

Public colleges are not the only ones that will feel the pressure to increase productivity and to restructure. Bennington College, a small liberal arts college in Vermont, attracted intensive publicity late last year after a major restructuring effort. Economic and other considerations may force various types of independent institutions to undertake similar processes.

For more information on this issue:

"Improving Productivity and Quality in Higher Education," by Aims C. McGuinness, Jr. and Peter T. Ewell, in *Priorities*, Fall 1994.

"The Kindest Cuts," by Roger R. Blunt, in *Trusteeship*, May/June 1994.

"The Proof is in the Performance," by Joseph C. Burke, in *Trusteeship*, May/June 1994.

"Reducing Student Costs and Enhancing Student Learning" (Part I: Restructuring the Administration and Part II: Restructuring the Role of Faculty), by Alan E. Guskin, in *Change*, July/August and September/October 1994.

"Reality Bites Back," by John W. Barr and Susan P. Borden, in *Trusteeship*, January/February 1995.

10. Cost and Availability of Technology

Issue at a Glance

Federal telecommunications legislation and state regulatory efforts this year could have substantial effects on the future cost and availability of information technology.

• Distance-learning activities, computer networks, and local and long-distance communications charges all could be affected by federal efforts to deregulate the telecommunications industry.

• A number of budget and regulatory developments at the state level also will affect use of technology in higher education.

A large university, whether public or private, typically spends as much as 5 percent of its total budget on technology and telecommunications in the form of academic and administrative computing, information and data systems, and communications charges. Add the budget for the library, and the share of a university's budget devoted to technology and information easily can reach 10 percent. The use of technology by small colleges may differ from that of universities, but it is a no less important part of the institution.

Although the technology needs of institutions vary widely, depending on their size, mission, and structure, the share of institutional budgets devoted to information technology is expected to grow. This growth will be driven in large part by the continuing decline in the cost of computers and telecommunications. Federal and state deregulation is expected to acelerate this trend by creating a more competitive market. Privatization of the Internet, an international network of computers developed through a governmental-university partnership, also is expected to accelerate use and lower costs. While short-term bottlenecks due to privatization have occurred, many universities believe this privatization in the long term will be positive.

• Distance-learning activities, computer networks, and local and long-distance communications charges all could be affected by federal efforts to deregulate the telecommunications industry.

In 1995, expect the Congress to pass a new telecommunications law to replace the 60-year-old law that created the Federal Communications Commission (FCC). That law also established the principle of "universal service" in the telephone industry, which is likely to guide revisions. The primary objective of the rewrite will be to create increased competition, building on the breakup of the Bell system in 1984. Expect the biggest impact to be on competition for local video, voice, and data transmission, as the Republicans encourage competition among a variety of providers, including the "Baby Bells" and cable operators. Also expect federal deregulation to spur state deregulation, especially of local telephone service.

The effect of telecommunications deregulation could be substantial for colleges and universities. The increased competition among the various providers of telecommunications that might result from this legislation could lower certain costs. It also might greatly increase the networking capacity of colleges and universities, thereby transforming instruction and research on campus and extending programs to place-bound students away from campus. Some experts

say deregulation eventually will bring lower telephone rates to all institutions. Others fear, however, that more competition will benefit only those in urban areas where the volume of use will justify the investment.

A number of issues that will affect the higher education community must be resolved. Various interest groups have differing views as to whether deregulation will advance their perspective. The K-12 community, for example, is overwhelmingly concerned with "connectivity," given its historically low investment in information technology. Rural users, both in K-12 and postsecondary education, worry that newly developed fiber-optic networks will bypass them. Many rural users of the Internet also face substantial long-distance telephone charges. Educom, an organization that represents chief technology officers of colleges and universities, has concluded that rural users should be provided with equity in pricing but that special set-asides for educational institutions or special content are unnecessary. They expect the benefits of deregulation to be widespread and to increase capacity and lower transmission prices for all.

The federal budget debate also will affect the use of technology in higher education. Expect some of the Clinton administration's technology initiatives to be targeted for spending cuts in 1995. Particularly at risk is the High Performance Computing Program (HPCP), a billion-dollar project to develop supercomputing networks that link private industry, universities, and government agencies. This project is perhaps the most prominent part of the so-called information superhighway. This debate over funding will be a good example of the inherent tension between advocates of greater accessibility versus proponents of the benefits of more deregulation.

• A number of budget and regulatory developments at the state level also will affect the use of technology in higher education.

State budget constraints could lead to greater reliance on technology as an alternative to costly bricks-and-mortar projects, as policy makers faced with limited resources are likely to consider technological solutions to various problems.

Like the federal government, many states are grappling with issues of deregulation. For example, in a number of states, cable-television operators, long-distance carriers, and alternative telephone companies are seeking to lift legal and regulatory barriers that currently protect the "baby bells" from competition for local phone service. Under pressure from the education community, a few public-utility commissions already have granted lower rates to schools and colleges.

Late 1994 also witnessed the emergence of statewide telecommunications councils established to coordinate new fiber-optic networks and to advise state legislatures on priorities for investment and academic program development. Future technological developments will only accelerate the need for such coordinating structures.

For more information on this issue:

"Technological Change and Higher Education Policy," by Robert C. Heterick, Jr., in *Priorities*, Spring 1994.

ABOUT AGB

The Association of Governing Boards of Universities and Colleges is a national nonprofit organization of governing, coordinating, and advisory boards of higher education. AGB's membership comprises more than 1,000 boards that oversee nearly 1,700 campuses. More than 30,000 trustees and chief executives are members of AGB.

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